

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

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|------------------------------------|---|-----------------------|
| MDISRUPT, INC., | § | No. 1:24-cv-01023-DAE |
| | § | |
| <i>Plaintiff,</i> | § | |
| | § | |
| vs. | § | |
| | § | |
| SAFE & GREEN MEDICAL | § | |
| CORPORATION d/b/a Wellglobal | § | |
| Health, Wellglobal, and Well City, | § | |
| and SAFE & GREEN HOLDINGS | § | |
| CORP., | § | |
| <i>Defendants.</i> | § | |

ORDER ADOPTING REPORT AND RECOMMENDATION

Before the Court is a Report and Recommendation (“the Report”) (Dkt. # 28) submitted by United States Magistrate Judge Dustin M. Howell. After reviewing the Report, the Court **ADOPTS** Judge Howell’s recommendations and **DENIES** Defendant Safe & Green Holdings Corp.’s (“SG Holdings”) Motion to Dismiss. (Dkt. # 11.)

On September 10, 2024, SG Holdings filed its motion to dismiss pursuant to Fed. R. Civ. P. 12(b)(6). (Dkt. # 11.) On September 24, 2024, Plaintiff MDisrupt, Inc. (“Plaintiff”) filed its response in opposition to the motion. (Dkt. # 23.) On February 26, 2025, the Magistrate Judge issued his Report, recommending that SG Holdings’ motion to dismiss, which raises only the issue of whether MDisrupt properly pleaded actual fraud in support of its veil-piercing

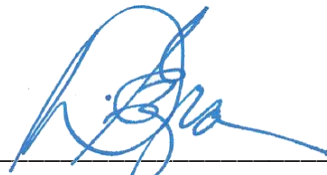
claims, be denied. (Dkt. # 28 at 7–8.) Specifically, the Magistrate found that MDisrupt adequately pleaded that SG Holdings engaged in actual fraud by knowingly misrepresenting SGMC’s intention to pay for services rendered under the consulting agreement to induce MDisrupt to continue providing services under the agreement through the termination date. (Id. at 7.)

Objections to the Report were due within 14 days after being served with a copy. Where, as here, none of the parties objected to the Magistrate Judge’s findings, the Court reviews the Report for clear error. United States v. Wilson, 864 F.2d 1219, 1221 (5th Cir. 1989). After careful consideration, the Court adopts the Magistrate Judge’s Report. The Court finds the Magistrate Judge’s conclusion that MDisrupt has adequately pleaded that SG Holdings engaged in actual fraud is neither clearly erroneous nor contrary to law. (Dkt. # 28 at 7.)

Accordingly, the Court **ADOPTS** the Magistrate Judge’s Report and Recommendation (Dkt. # 28) as the opinion of the Court and **DENIES** Defendant’s Motion to Dismiss. (Dkt. # 11.)

IT IS SO ORDERED.

DATE: Austin, Texas, March 14, 2025.



David Alan Ezra
Senior United States District Judge